GOVERNMENT OF INDIA
CIVIL AVIATION
LOK SABHA

UNSTARRED QUESTION NO:81
ANSWERED ON:19.11.2001
INSURANCE COVERAGE OF AIR PASSENGERS
DR. KIRIT SOMAIYA

Will the Minister of CIVIL AVIATION be pleased to state:

(a) whether after the incident of World Trade Centre in New York, a special insurance coverage has been compelled upon air passengers by his Ministry;

(b) if so, the details thereof;

(c) whether the Ministry or the Airport Authority or Airlines Authority has asked for competitive bids in that regard;

(d) if so, the details thereof;

(e) whether any insurance coverage was existed previously; and

(f) if so, the details thereof?

Answer

THE MINISTER OF CIVIL AVIATION (SHRI SYED SHAHNAWAZ HUSSAIN)

(a) and (b) :- In the wake of terrorist attacks on the US cities, Insurance companies have levied a surcharge per passenger and increased insurance premium. As a result, Indian Airlines has introduced insurance charge on its domestic / international sectors as under :

Domestic :

Rs. 100 per sector on rupee fares with effect from 01st October, 2001 increased to Rs. 250 per sector with effect from 01st November, 2001.

USD 2 per sector on USD fares with effect from 01st October, 2001 increased to USD - 5 per sector with effect from 01st November, 2001.

International Services :

USD 2 per sector with effect from 01st October, 2001 for journey ex-India increased to USD 5 per sector with effect from 01st November, 2001.

For journeys from other countries into India, practice of the national carriers of the country concerned is being followed.

Air India is charging an insurance surcharge of US$ 3.50 (or its equivalent in local currency) per passenger, per sector for all tickets issued on or after 01 November, 2001.

(c) No, Sir.

(d) Does not arise.

(e) & (f) Indian Airlines has been taking third party liability cover (including terrorism outrages) insurance for USD 500 million to meet the requirements of the lendors / lessors in addition to its own requirements. Effective October 01, 2001, Air India`s re-insurers withdrew the cover of US$ 1500 million for losses incurred as a result of terrorist and allied activities. The cover available of US$ 50 million only for this purpose was taken by Air India. The balance of US$ 1450 million was covered by an indemnity from the Government of India. Effective November 01, 2001, insurance cover for losses resulting from terrorist and allied activities was available for US$ 1000 million. The balance of US$ 500 million has been covered by the Government of India upto November 30, 2001.